



Center For Medicaid and State Operations
Family and Children's Health Program Group

March 3, 2003

Doug Porter, Assistant Secretary
Medical Assistance Administration
Department of Social and Health Services
PO Box 45080
Olympia, WA 98505-0095

Dear Mr. Porter:

I am pleased to inform you that the Centers for Medicare and Medicaid Services (CMS) is approving Washington's request for initial approval of its Disease Management Program authorized under section 1915(b)(4) of the Social Security Act (the Act). This approval provides for waiver of the following sections of the Act: 1902(a)(10)(B) Comparability of Services; and 1902(a)(23) Freedom of Choice.

I have based my decision on the evidence submitted showing that the program is consistent with the purposes of the Medicaid program, has met statutory and regulatory requirements for access to care and quality of services, and will continue to be a cost-effective means of providing health care services to Washington's Medicaid population.

Because this is a new program, the State will be required to arrange and pay for an independent assessment designed to document the cost-effectiveness, access to and quality of services under this waiver program. Results of that independent assessment must be received by the CMS Central and Regional offices no later than 6 months prior to the expiration of this waiver period. The cost effectiveness portion of that assessment should include but not be limited to results of the reconciliation related to payments under this program.

In addition, this approval is contingent on the following conditions:

- 1) The State will submit, upon completion, a sample of the information materials which have been revised to meet federal requirements and translated.
- 2) The State will actively monitor distribution of informational materials sent to eligible beneficiaries to assure that materials comply with all federal and State requirements.
- 3) The waiver document and contracts for DM services will be amended to reflect compliance with all regulatory requirements under the BBA Medicaid Managed Care final rule prior to August 13, 2003.

- 4) The State will provide summary results of all the State's monitoring activities to the CMS Central and Regional office prior to October 10 of each year in 2003 and 2004.

Approval of this waiver program covers a period of 2 years, from April 10, 2003 through April 9, 2005. Washington may request that this authority be renewed and should submit its request for renewal 90 to 120 days in advance of the expiration date.

We appreciate the State's efforts in initiating this program which provides for accessible, quality and cost-effective health care for Medicaid enrollees, and we wish you much success in your continuing activities in this area.

Sincerely,

/s/

Michael Fiore, Director
Division of Integrated Health Systems

cc: Karen O'Connor, Region X
Mary Anne Lindeblad, Medical Assistance Administration